

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 19537
[Redacted],	)	
	)	DECISION
Petitioner.	)	
	)	
	)	
	)	

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On May 17, 2006, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers) proposing additional individual income tax, penalty, and interest in the amount of \$1,217 for the tax year 2002.

The taxpayers filed a timely appeal and petition for redetermination. They requested a telephone conference that was held on December 10, 2007. The Tax Commission has reviewed the file and issues its decision based on the contents of that file.

Idaho Code § 63-3002 provides:

Declaration of intent. It is the intent of the legislature by the adoption of this act, insofar as possible to make the provisions of the Idaho act identical to the provisions of the Federal Internal Revenue Code relating to the measurement of taxable income, to the end that the taxable income reported each taxable year by a taxpayer to the internal revenue service shall be the identical sum reported to this state, subject only to modifications contained in the Idaho law; . . .

The intent of the Idaho Legislature is to follow the federal determination of income subject only to modifications contained in Idaho law. [Redacted].

The taxpayers failed to notify the Idaho State Tax Commission of the federal determination within the 60-day period required by Idaho Code § 63-3069. The Bureau issued a NODD to the taxpayers advising them of additional Idaho income tax, penalty, and interest due

as a result of the increase to their taxable income. In response to the deficiency notice, [Redacted] wrote a letter of protest saying the liability was the tax on income his wife earned in another state before they were married.

The Bureau sent the taxpayers a letter acknowledging their protest. In the letter, the Bureau explained that, because the taxpayers filed their Idaho and federal income tax returns with a filing status of married filing jointly claiming Idaho residency for 2002, they were required to report all income including income from sources outside of Idaho. The Bureau explained that, if some of their income was taxed by another state in 2002, they may be entitled to a credit against Idaho tax.

The taxpayers were further advised that, in order to receive credit for taxes paid to another state, the taxpayers would need to file an amended Idaho return and include a copy of the income tax return they filed in the other state showing taxes paid to that state.

In response to a letter to the taxpayers that outlined their appeal rights, [Redacted] asked for a telephone conference. On December 10, 2007, a telephone conference was held. At that time, [Redacted] said he did not know how to straighten things out. He said his wife filed her 2002 tax return with the state of [Redacted]. The Tax Policy Specialist reminded him that [Redacted] also filed a federal income tax return and an Idaho income tax return with him as married filing jointly claiming to be an Idaho resident. Neither return included the income [Redacted] received while a resident of [Redacted]. He said he would try to locate his wife's [Redacted] return and send it to the Tax Commission. To date, no additional information has been received from the taxpayers.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Comm'n, 110 Idaho 572 (Ct. App. 1986).

Having presented no further information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated May 17, 2006, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following additional tax, penalty, and interest for 2002:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$983	\$49	\$287	\$1,319

Interest has been computed through January 31, 2008.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioner's right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

IDAHO STATE TAX COMMISSION

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COMMISSIONER

## **CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_, 2008, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

Receipt No.

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